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# INFORMATION REPORT

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COUNTRY China

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**SUBJECT** Removal of Factories from Shanghai

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1. The Chinese Communist order to move Shanghai factories to other areas encountered opposition from Shanghai groups who were unwilling to leave. On 8 August 1949 employees of the Sung Sing Cotton Mill Number 1 (申新一廠) opposed Communist workers who were attempting to move the machinery by force. Seven Communists were beaten to death and 23 workers were killed by Communist machine guns. On the following day, 4,000 workers of Sung Sing Cotton Mill Number 9 opposed the removal of their machines. Casualties included 32 Communists injured and 3 killed, and 25 workers injured and 8 killed.
2. The Hsin Kuang (新光) Shirt Factory\*, Shanghai, which formerly employed about 300 workers, suffered great losses after the Communist occupation through decline of business and increased taxation, and was finally turned over to Communist administration. Upon assuming control of the factory, the Communists confiscated all finished shirts in stock and paid off all workers with a severance pay of Jenminbiao (JRP) \$2,000. Since this amount was not enough to buy one day's food, the workers refused to accept it or to leave the plant. Communist soldiers and military police attacked immediately with machine guns and killed 13 workers; the rest were arrested.
3. Other factories decided to move into the interior, however, without physical struggle. Those which had expressed an intention to move, as of 12 August 1949, included the following.
  - a. Hsin Ho (信和) Cotton Mill\* (40,000 spindles, 250 looms, 2,800 workers), which consulted the Communist Bank of China, Shanghai and the Communist Honan government about moving its mill to Honan.
  - b. Universal Handkerchief Factory\*, which decided to move twenty light machines, part of its equipment, to Tientsin.
  - c. Ching Fu (景福) Shirt and Hosiery Factory\*, which planned to move some of its machinery to Tientsin.

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- d. Mill Machineries Factory (100 workers, 104 heavy machines), which intended to move to North China.
- e. Huang P'u (黃浦) Machinery and Iron Works (1 lathe, about 30 planes, about 50 workers), which decided to move its factory to Sian.
- f. Chin Chiang (晉昌) Iron Works, manufacturers of motors, lathes and water pumps, which was prepared to move into one of the older Communist-dominated areas.
- g. Central Glassware Factory (中央玻璃廠)\*, which decided to move its entire plant to Mukden within two months.
- h. Central Medicine Company (中央製藥公司)\*, which planned to move part of its machinery to Tsinan.
- i. China Oil Company (中國油脂公司)\*\*\*, which prepared to move half of its factory to north Anhwei but had not decided whether the new site would be Hefei (117-18, 31-54), Pangfu (117-26, 32-57), or Wuhu (118-23, 31-21).

- 4. To accelerate the move inland, the Shanghai Communists ordered a joint conference on 10 August 1949 of the machine works, iron foundry and electrical supplies unions. As a result of the conference, North-east and North China Investigation Groups were formed to investigate the raw material situation at various localities in relation to the three industries involved. Members were formally asked to join the investigation groups, and preparations for an exploratory tour were to be completed during August.
- 5. Many technical personnel among the large number of employees discharged from various government enterprises (such as the China Merchants' Steam Navigation Company and the China Steam Navigation Company) were sent to North China industrial establishments.

11 October 1949, except as noted

- 6. The Hua Fu (華孚) Electric Bulb Factory in Shanghai, which formerly produced 60,000 to 100,000 electric bulbs monthly, moved to Tientsin in early fall 1949. Production is expected to be resumed about three months after the move, allowing time for building a new gas boiler.
- 7. The Ya Mei (亞美) Electric Bulb Factory\*\*, in Shanghai established a new factory and office in Tientsin, and the entire factory is expected to move there as soon as a new gas boiler is completed. Production is expected to increase from a Shanghai rate of 2-3,000 bulbs monthly to 5-6,000 bulbs monthly in Tientsin.
- 8. The Ling Fen (玲奮) Electric Company\*\*\*, which formerly had two workshops (of which one produced electric tools and small motors), has suffered a decrease in business. The company plans to change its location and establish branches in the Tsichuan (四川) and Poshan (博山) mining districts of Shantung to repair large motors and manufacture electrical equipment. A decision as to whether to move a large part or all of the factory is awaiting the return of the general manager to Shanghai.
- 9. The Oppel Electric Company\*\*\*, which has four branch factories and two glass factories in Shanghai and one branch factory in Chungking, is building a new plant in Tientsin and preparing to transfer some

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of its machinery there. The new factory will manufacture vacuum flasks with the equipment now producing electric bulbs. In addition, the firm has completed plans for production of 100 fluorescent bulbs a day by manual labor. If the project is successful, the firm plans to convert to machine manufacture.

10. The Chung Yuan (中原) Telephone Parts Factory\*\*\* has 59 machines and supplies a sales territory in Central China. However, as soon as the general manager returns to Shanghai the plant will be moved to Manchuria because of the lack of such facilities there.
11. The Shanghai Pencil Factory and the Standard Pencil Factory have decided to move to Peiping, and the former has already shipped more than thirty tons of equipment.
12. The Central Electrical Works and nine other electrical plants apparently will remain in Shanghai for a time, since they have accepted orders from the Communist North China Electric Company for ten 300-volt thousand-ampere transformers and twenty 200-volt thousand-ampere transformers\*\*\*\*, to be delivered within four months.

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\*   Comment. Some factories mentioned were tentatively identified from Shanghai directories as follows:

Paragraph 2: Hsin Kuang Standard Shirts, Dyeing, Weaving and Finishing Mills, Ltd., 22-33 Chungking Road (S).

Paragraph 3:

- b. Universal Handkerchief Weaving Co., Ltd., 210 Kinkang Road.
- c. Ching Foo Weaving & Knitting Co., Ltd., 12 Kikow Road, with several factories.
- g. Central Chemical Glass Co., 566 Hankow Road.
- h. Central Dispensary Co., Ltd., 148 Nanking Road (E).
- i. China Oil Co., Shanghai Branch, 50 Hankow Road.

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  Comment: The following firms were identified in the China Business Directory, 1947, published in Shanghai by the Industrial and Commercial Information Service of China:

Ya Mei Electric Bulb Factory, #7, Lane 560, Huiming.  
Central Radio Company, 933 Changcheng Road (E) as Chung Yuan Telephone Parts Factory.

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  Comment: The following firms were identified in the Directory of China, 1948, published by the China Daily Tribune Publishing Company of Shanghai:

Rinfen Electric and Mechanical Manufacturing Works, Rinfen Building, 159 Chekiang Road (C) as Ling Fen Electric Company.

Ya P'u Erh (Oppel) Electric Manufacturing Company, Ltd., 492 Peking Road, as Oppel Electric Company.

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  Comment: The Central Electrical Works was tentatively identified as the Central Electric Company, 631-3, Honan Road (C), from the 1948 Dollar Directory (Shanghai).

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  Comment. No voltage was given for the other winding.

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